

**DRAFT MINUTES  
GAMING ADVISORY COUNCIL**

*July 21, 2006  
Grand Union Hotel  
Fort Benton, Montana*

Please note: This is a summary of the Council meeting. The meeting in its entirety is on tape at the Gambling Control Division office at 2550 Prospect Avenue, Helena, Montana. Exhibits are on file in the office of the Gambling Control Division.

**COUNCIL MEMBERS PRESENT**

Sen. Joe Tropila  
Bill Thomas  
Pam Kennedy  
Steve Morris

Rep. John Witt  
Nick Murnion  
Tim Carson  
John Tooke

**DIVISION STAFF PRESENT**

Gene Huntington  
Rick Ask  
Jeff Bryson

Ben Kamerzel  
Al Arvish

**SUMMARY OF COUNCIL ACTION**

- ♠ The Council voted unanimously that the Division should provide an article on credit gambling to the Tavern Times.
- ♣ The Council voted unanimously to have the Poker Subcommittee work on the proposed poker legislation and to poll the Council on the next draft.
- ♥ The Council voted unanimously to approve the proposed bingo legislation as drafted.
- ♦ The Council approved proposed rules related to the automated accounting and reporting system.
- ♠ The Council tentatively set the next meeting in Helena on October 19, 2006.

**CALL TO ORDER AND ROLL CALL**

Chairman Witt called the meeting to order at 9 a.m. All members were present except for Fred Guardipee. The minutes from the April 21, 2006 meeting were adopted unanimously.

## **MONTANA COUNCIL ON PROBLEM GAMBLING REPORT**

Rich Miller reported on the efforts of the Montana Council on Problem Gambling to take care of their funding shortfall. He stated that contributions have increased by one third and they are looking at other initiatives, including approaching lottery vendors and manufacturers. Rich indicated that with their current commitments they should be able to maintain the council for the next three years. The Council on Problem Gambling has started to efforts to measure the effectiveness of treatment and plan to have some measurement by next year. Rich provided the GAC with a letter from Mark Kennedy, Chairman of the Montana Council on Problem Gambling. Rich thanked the Council for their assistance.

Representative Sue Dickenson addressed the council and provided a handout on her calculations of the problem gambling efforts in Montana. Rep. Dickenson indicated that she was encouraged by Rich Miller's report but believed Montana is still not doing as much as other states. Representative Dickenson indicated that she has not made up her mind as to whether she will introduce legislation to provide public funding.

Tim Carson asked where Representative Dickenson sees the need for additional funding and she indicated in the areas of outreach, education, and reducing the size of therapy groups.

Senator Tropila asked Gene Huntington what needs he sees and what other states are doing. Gene replied that he would defer to the Montana Council on Problem Gambling as to treatment needs. In terms of public education and prevention he will gather information from other states.

Rep Witt felt that problem gambling treatment and funding were issues to be addressed by future legislatures. The council was gathering information in at this time. Gene offered to get everyone a copy of the Power Point presentation.

John Tooke recounted his experience trying to isolate the expenditures for alcohol taxes spent in his community and indicated that he does not believe that anyone can show where the money went. And because of that experience, he didn't feel that funds and program could be administered by the existing programs within DPHHS.

## **CREDIT/DEBIT CARD ISSUES**

Gene Huntington stated that this agenda item was a follow up to the proposal from the April meeting that; ATMs in casinos be restricted to debit cards. Gene reported that he had carried out further investigation and determined that to limit ATMs to debit cards would require customization of ATMs and that such a product was not readily available in the market. Gene indicated that there were no proposals at present for legislation of credit cards and at this point he was encouraged that the industry was working to comply with new rules. He further stated that if there are indications of further problems, the

only alternative would be to step up audit and enforcement directed at credit card transactions.

Mark Staples questioned the need for the concern about credit cards and Gene Huntington recounted the circumstances that had given rise to the new rules.

Tim Carson indicated that he believed that operators need more education on this issue and there are people out there who do not understand the rules. He believes the Division needs to send every operator a letter that clearly indicates the “do’s” and “don’ts” for gambling with credit cards.

Representative Joe McKinney spoke to the issue and indicated that this is not a widespread problem.

The Council discussed several ideas for communicating this information to operators including; a column in the Tavern Times, a handout, and a letter to all operators. Gene Huntington agreed that these were all good ideas that the Division would pursue. Pam Kennedy moved and Tim Carson seconded a motion to have the Division provide a regular column to the Tavern Times. The motion passed unanimously.

### **HORSERACING**

Chairman Witt then asked John Tooke to report on the actions of the Horseracing Committee that is studying the future of horseracing in Montana. Mr. Tooke reported that the committee was struggling with the restrictions placed upon them by the Governor’s office to not expand gambling or use any of the video gambling machine income tax.

### **POKER LEGISLATION**

The Council considered the proposed legislation to generally revise the card games act. Gene Huntington indicated that the changes in the proposal since the last meeting were a result of the Poker Subcommittee meeting on June 6. Rich Miller explained his concern about a delayed effective date and suggested that the bill may need more than one effective date. Gene Huntington agreed that more work was needed on coming up with an effective date.

Gene Huntington then began to present the proposed legislation section by section. Pam Kennedy questioned the way in which the splitting of fees with local governments had been drafted. Gene Huntington indicated that the result was about the same in that local governments would receive almost 50% of the increased fees. Gene Huntington then distributed a work sheet showing how the estimates had been arrived at. Rich Miller raised questions about the information that was to be posted and if the posting needed to describe the “obvious manner for taking the rake-off.” The Chairman then requested a

break. After the meeting resumed there was further discussion of the poker legislation. John Tooke raised a concern that the need for additional investigators was a result of the Division enforcing tobacco tax laws and that the funding from DPHHS was not adequate to fund the work being required to enforce the higher tobacco tax. Gene Huntington asked if Mr. Tooke was proposing that the statute that requires the Division to enforce tobacco taxes be revised. Mr. Tooke indicated that he just wanted to see some statistics on the time being required to enforce the tobacco tax laws. Ronda Carpenter raised a concern that there may be a law or rules concerning raising fees without having a related increase in service. Chairman Witt then said that there appeared to be some unresolved issues and that the legislation may need more work by the Poker Subcommittee. He asked Senator Tropila to try to have the Subcommittee meet again in August to consider:

- Need to have an offsetting increase in services for fee increases,
- Changes to the language on rake-off,
- The proposed fee increases are not in conflict with other provisions of law.

Tim Carson made a motion and John Tooke seconded the motion to send the legislation back for more work by the subcommittee and to poll the council on next draft. The motion passed unanimously.

### **BINGO LEGISLATION**

Gene Huntington reviewed a bill drafting concept related to allowing more flexibility in definition and design of bingo cards. This legislation had been requested by Mark Ehli and conceptually approved at the April GAC meeting. Gene indicated that Mark had called about having no restriction on the number of columns. After a brief discussion a motion passed unanimously to approve the proposed legislation as drafted.

### **PROPOSED RULES**

Gene Huntington then outlined proposed rules related to the implementation of the automated accounting and reporting system. Tim Carson asked for clarification of the deadlines for submitting tax payments and Rick Ask indicated what the schedule will be for tier I and tier II systems. After a brief discussion Pam Kennedy moved and Bill Thomas seconded a motion to approve the proposed rules.

### **DEMONSTRATION OF ONLINE REPORTING**

Al Arvish provided a brief presentation on what the web entry tax reporting system will do and how online permitting will look and work.

### **ADMINISTRATOR'S REPORT**

Gene Huntington provided a brief report and video gambling tax collections for fiscal year 2006 and recent developments related to internet gambling.

### **FINAL BUSINESS**

Gene Huntington indicated that the Council will need to meet one more time before the Legislature to approve the Biennial Report. After a brief discussion, there was general agreement to meet on October 19 in Helena.

The meeting adjourned at p.m.